

FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

Audit Referral: 99-20

Audit Referral Date: November 29, 1999

Date Activated: May 17, 2000

Expiration of Statute of Limitations:

April 22, 2003 – December 10, 2003¹

Staff Members: Erik Morrison

Peter Blumberg

SOURCE:

AUDIT REFERRAL

RESPONDENTS:

McCormick for Congress, and Joseph F.
McCormick, as treasurer

**RELEVANT STATUTES
AND REGULATIONS:**

2 U.S.C. § 441a(a)(1)(A)

2 U.S.C. § 441a(f)

11 C.F.R. § 103.3(b)(3)

11 C.F.R. § 110.1(b)

11 C.F.R. § 110.1(b)(3)(i)

11 C.F.R. § 110.1(k)

**INTERNAL REPORTS
CHECKED:**

Audit Documents
Disclosure Reports

**FEDERAL AGENCIES
CHECKED:**

None

I. GENERATION OF THE MATTER

This matter was generated by an audit of McCormick for Congress (the
"Committee") and Joseph F. McCormick, as treasurer, undertaken in accordance with

2 U.S.C. § 438(b). See Attachment 1.

¹ The violations at issue involve excessive contributions. A schedule of the contributions, including the dates they were made, is attached. Attachment 2. The earliest excessive contribution was made on April 22, 1998 and the last excessive contribution was made on December 10, 1998.

II. FACTUAL AND LEGAL ANALYSIS

The Audit staff found that the Committee received contributions from fourteen individuals totaling \$8,800 in excess of the \$1,000 contribution limitation set forth at 2 U.S.C. § 441a(1)(A). Attachment 1. Refunds have not been made. Currently, the Committee is reporting the required refunds as debts. Based on the information presented in the audit referral, this Office recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 441a(f) by receiving excessive contributions.² However, this Office recommends that the Commission take no further action in this matter and close the file.³ The Committee's financial position suggests an inability to pay a civil penalty. As of December 31, 1999, the Committee is reporting debts of \$71,990.07 and cash on hand totaling \$358.78. Finally, the relatively small amount in violation suggests that further action is unnecessary.⁴ Therefore, this Office believes that the proper ordering of the Commission's resources and priorities warrants taking no further action. *See Heckler v. Chaney*, 470 U.S. 821 (1985).

III. RECOMMENDATIONS

1. Open a MUR;

2

³ The Audit Division's cover memorandum to the referral states "that pursuing [the referral] as a compliance matter may not constitute the most efficient use of Commission resources." Attachment 1 at 1.

⁴ Total contributions received by McCormick for Congress from individuals and other political committees and organizations for the 1998 election cycle was approximately \$471,579.

2. Find reason to believe that McCormick for Congress and Joseph F. McCormick, as treasurer, violated of 2 U.S.C. § 441a(f), but take no further action and;
3. Approve the appropriate letters and;
4. Close the file.

Lawrence M. Noble
General Counsel

7/18/00
Date

BY: Kim Leslie Bright
Kim Leslie Bright
Associate General Counsel

Attachments

1. Audit Referral Materials
2. Schedule of Contributions



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel *SCS*

DATE: July 18, 2000

SUBJECT: Audit Referral 99-20-First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

SENSITIVE
NON-SENSITIVE

☒
☐

72 Hour TALLY VOTE ☒

24 Hour TALLY VOTE ☐

24 Hour NO OBJECTION ☐

INFORMATION ☐

DISTRIBUTION

COMPLIANCE ☒

Open/Closed Letters ☐

MUR ☐

DSP ☐

STATUS SHEETS ☐

Enforcement ☐

Litigation ☐

PFESP ☐

RATING SHEETS ☐

AUDIT MATTERS ☐

LITIGATION ☐

ADVISORY OPINIONS ☐

REGULATIONS ☐

OTHER ☐